

**MINUTES OF MEETING #414**  
**BOARD OF TRUSTEES KENTUCKY RETIREMENT SYSTEMS**  
**MEETING DECEMBER 7, 2017 AT 10:00A.M.**  
**1270 LOUISVILLE ROAD, FRANKFORT, KENTUCKY 40601**

At the Meeting of the Board of Trustees held on December 7, 2017, the following members were present: John Farris (Chair), John Chilton, William Cook, Thomas Elliott (non-voting), David Gallagher, David Harris, Vince Lang, Matthew Monteiro, Keith Percy, Betty Pendergrass, Mary Helen Peter, Jerry Powell (arrived at 10:07 a.m.), Neil Ramsey, David Rich, and Secretary Thomas Stephens. Staff members present were David Eager, Karen Roggenkamp, Erin Surratt, Rich Robben, Connie Davis, Connie Pettyjohn, Shawn Sparks, Katherine Rupinen, Joseph Bowman, Shaun Case, Ann Case, Jared Crawford, Elizabeth Smith, and Alane Foley. Also present were Larry Totten, Michele Hill, Rebecca Heckler, Shellie Hampton, Kevin Wheatley, Teresa Sanders, Brian Huffman, Steve Starkweather, Bo Cracraft, Tom Loftus, Steve Dawson, Adam Beam, Carey Bishop, Eric Kennedy, Alfred Miller, Rose Nett, and Fred Nett. Larry Loew and Tracey Garrison from Humana were present along with Simon Keemer and Joseph Overhults from Dean, Dorton, Allen and Ford, PLLC.

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Ms. Alane Foley called roll.

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The Board of Trustees observed a moment of silence in remembrance of the attack on Pearl Harbor.

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Mr. Farris introduced agenda item *Approval of Minutes – November 13, 2017*. Mr. Lang moved and was seconded by Mr. Rich to approve the minutes. The motion passed unanimously.

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Mr. Farris introduced the agenda item *Actuarial Valuations*. Mr. Danny White from GRS joined the meeting via video conference and provided an overview on the valuations for all plans. Mr. Ramsey made a motion and was seconded by Mr. Harris to approve GRS Actuarial Valuations for Year Ending June 30, 2017. Ms. Pendergrass and Mr. Lang were not in favor. The motion passed.

Mr. Chilton made a motion and was seconded by Secretary Stephens to approve fiscal year 2019 employer contribution rates for CERS HAZ and CERS Non-HAZ. Mr. Powell, Mr. Lang and Ms. Pendergrass were not in favor. The motion passed.

Secretary Stephens made a motion and was seconded by Mr. Lang to approve fiscal year 2019 employer contribution rates for KERS and SPRS. The motion passed unanimously.

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Mr. Chilton provided an update to the Board regarding the pension bill. This was for informational purposes only.

The video conference with GRS was ended.

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Mr. Farris introduced agenda item *Retiree Health Care Committee Report*. Mr. Lang provided an overview to the Board and made a motion to ratify the actions of the Retiree Health Plan Committee. This was seconded by Mr. Farris and the motion passed unanimously.

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Mr. Farris introduced agenda item *Audit Committee Report*. Mr. Chilton introduced Mr. Simon Keemer and Mr. Joseph Overhults from Dean, Dorton, Allen and Ford, PPLC, they presented the audit report to the Board.

Secretary Stephens made a motion and was seconded by Mr. Powell to approve the audited financial statements for the year ended June 30, 2017. Ms. Peter recused herself from the vote. The motion passed.

Mr. Rich made a motion and was seconded by Mr. Chilton to approve the draft copy of the Comprehensive Annual Financial Report for fiscal year ended June 30, 2017 and for KRS to publish the CAFR prior to December 31, 2017. Ms. Peter recused herself from the vote. The motion passed.

Ms. Pendergrass gave compliments to the staff on their hard work on the CAFR.

Mr. Chilton made a motion and was seconded by Mr. Rich to ratify the Audit Committee action with regard to hazardous duty positions. This motion passed unanimously.

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Mr. Farris introduced agenda item *Board Education Requirements*. Mr. Eager provided an overview of the KRS Trustee Education Program. Ms. Peter moved and was seconded by Mr. Lang to approve the revised KRS Trustees Education Program as presented. The motion passed unanimously.

Ms. Pendergrass made a motion and was seconded by Mr. Gallagher to add an annual voluntary training retreat to the schedule. The motion passed unanimously.

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Mr. Farris introduced agenda item *Investment Committee and Investment Portfolio Quarterly Report*. Mr. Robben and Mr. Harris provided an investment update to the Board. This was for informational purposes only.

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Mr. Farris introduced agenda item *Legislative Issues Update*. Mr. Eager and Mr. Bowman request a motion to approve the amended regulation (105 KAR 1:140) to be submitted to LRC and authorize Mr. David Eager to sign the submission. Ms. Pendergrass moved and was seconded by Ms. Peter to approve this request. The motion passed unanimously.

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Mr. Eager updated the Board regarding the latest retirement trends. This was for informational purposes only.

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The Board and staff discussed the resolution that was set forth by Mr. Powell. Ms. Pendergrass made a motion to adopt the resolution, Mr. Ramsey then amended the motion to follow the advice of legal counsel to not vote on the resolution. A roll call vote was taken; 7 YES, 7 NO. The motion failed. Roll call vote was then taken on Ms. Pendergrass's initial motion to adopt the resolution as presented. 7 were in favor, 7 were opposed. The motion failed.

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Mr. Rich made a motion and was seconded by Ms. Peter to go into closed session; the motion carried. Mr. Farris read the following statement and the meeting moved into closed session: A motion having been made in open session to move into closed session for a specific purpose, and such motion having carried by majority vote in open, public session, the Board shall now enter closed session to consider litigation, pursuant to KRS 61.810(1)(c), because of the necessity of protecting the confidentiality of the Systems' litigation strategy and preserving any available attorney-client privilege. All public attendees exited the meeting.

Mr. Farris called the meeting back into open session. Ms. Peter made a motion and was seconded by Mr. Powell to approve the legal actions discussed in closed session. The motion passed unanimously.

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There being no further business, the meeting adjourned at 12:00 p.m. to meet again on February 15, 2018 or upon the call of the Interim Executive Director or the Chair of the Board of Trustees.

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Copies of all documents presented are incorporated as part of the Minutes of the Board of Trustees as of December 7, 2017.

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## CERTIFICATION

I do certify that I was present at this meeting, and I have recorded the above actions of the Directors on the various items considered by it at this meeting. Further, I certify that all requirements of KRS 61.805-61.850 were met in conjunction with this meeting.

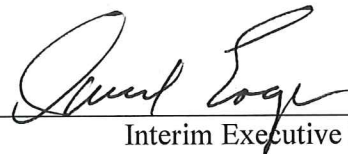


Recording Secretary

We, the Chair of the Board of Directors of the Kentucky Retirement Systems and Executive Director of the Kentucky Retirement Systems, do certify that the Minutes of Meeting Number 414, held on December 7, 2017, were approved on February 15, 2018.

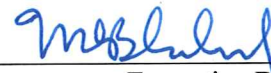


Chair of the Board of Directors



Interim Executive Director

I have reviewed the Minutes of the December 7, 2017 Board of Trustees Meeting for content, form, and legality.



Executive Director  
Office of Legal Services